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INFO RUEKJCS/SECDEF WASHDC PRIORITY  
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TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS OFFICE;  
SECDEF FOR JCS-J-5/JAPAN,  
DASD/ISA/EAPR/JAPAN; DEPT PASS ELECTRONICALLY TO USDA  
FAS/ITP FOR SCHROETER; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR;  
CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAO](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)  
SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 09/15/06

INDEX:

- (1) DFAA temporarily cancels new Okinawa base survey due to local protest
- (2) Interview with prime minister's secretary Isao Iijima: Koizumi makes decision by risking everything, like a gambler
- (3) Interview with Yoshihiko Miyauchi, chairman of Orix: Regulatory reform making progress, though slowly; "Comfortable social divide" needed"
- (4) ROK Deputy Prime Minister hopeful of resuming FTA talks with new administration of Japan after Koizumi steps down
- (5) Japan plans to accept 1,000 Filipino nurses and other workers; Will the plan come off? Doubts, complaints voiced
- (6) 2006 LDP presidential campaign -- diplomacy: Abe stands out by checking China; Tanigaki emphasizes co-existence; Aso highlights his diplomatic achievements

There will be no Daily Summary on September 18 - a Japanese holiday.

ARTICLES:

- (1) DFAA temporarily cancels new Okinawa base survey due to local protest

Meeting with strong local protest, the Defense Facilities Administration Agency (DFAA) and the Nago City Board of Education cancelled their preliminary survey of buried cultural property, planned for Sept. 14, in accordance with a plan to build a new US Marine Corps base on the coastline of Camp Schwab (in Nago).

The survey of buried cultural property was planned from the need to demolish existing facilities in the Camp Schwab barracks area for building the new base. The presence of remains believed to be 1,000 to 2,000 years old has been confirmed at the barracks area.

The DFAA plans to conduct the survey for 40 million yen. The cancelled preliminary field survey was designed to determine whether or not a full-scale survey, such as drilling a two-barrack building plot, was necessary.

Some 50 anti-base residents, including those from the Nago anti-heliport council, gathered together at a Camp Schwab gate at around 7:30 a.m. yesterday and demanded DFAA officials who showed up at the gate to stop the survey. The DFAA officials left the site without entering the base.

The Nago City Board of Education decided to call off the survey planned for yesterday.

Nago City Assembly member Toru Gushiken of the Japanese Communist Party, who took part in the protest rally, said:

"The survey rubs the sentiments of the local residents who don't want a new base the wrong way. The government is set to build the new base here at all costs, and we won't let that happen."

TOKYO 00005331 002 OF 011

A timetable for a future survey is undecided, according to the DFAA.

(Commentary)

By Ichiro Tanaka

Although the government and the Defense Facilities Administration Agency have cancelled the planned preliminary survey of buried cultural property at Camp Schwab due to strong local protest, they are trying to push ahead with work speedily for building the new US Marine Corps base.

The DFAA intends to map put a master plan for the new base before the end of the current fiscal year. Apart from the cancelled survey of buried cultural property, the agency began on Sept. 5 a field survey of facilities on Camp Schwab.

Existing facilities in the Camp Schwab barracks area must be demolished or removed in accordance with a Japan-US agreement to build a V-shaped pair of runways on the planned new base. This required a field survey to check the size and structure of those facilities.

Commissioned by the agency, a survey and environmental consulting firm has already conducted the survey for about 6 million yen.

The government launched in late August a Futenma relocation council to discuss specific construction plans with the affected municipalities, including the Okinawa prefectural government. The step was based on a cabinet decision in May to swiftly implement the US force realignment final report that specified the V-shaped runway construction plan.

Okinawa Gov. Keiichi Inamine, who called for a temporary heliport, also attended the council's inaugural meeting. But the government intends to force the V-shaped runway plan on Okinawa to the last. On Sept. 9, the Okinawa Times reported on the survey of existing conditions and other plans:

"The government apparently intends to make its two-runway plan into

a done deal against Okinawa's wishes by moving work on the landed portion of the base, which is off limits to anti-base locals, into full gear."

In an opinion survey conducted by a local paper, over 70 percent of Okinawa residents said they were opposed to the new base plan. The government's posture to hurry work for building the new base is a direct challenge to such public opinion.

(2) Interview with prime minister's secretary Isao Iijima: Koizumi makes decision by risking everything, like a gambler

MAINICHI (Page 2) (Full)  
September 15, 2006

The Mainichi Shimbun interviewed Isao Iijima, 60, private secretary to Prime Minister Junichiro Koizumi, to query him for inside information on the Koizumi administration that lasted for five years and five months.

-- How do you evaluate the long-term Koizumi administration?

TOKYO 00005331 003 OF 011

The administration was launched when the economy was deflated, and it aimed to put it on a recovery track without increasing public spending. Now that fiscal conditions have been improved in preparation for establishing a small government, the Bank of Japan has ended its zero-rate policy, and an end is about to be put to deflation. The prime minister will leave office with the economy having been turned around.

-- Why do you think the administration lasted so long?

Strong objections from forces of resistance in the ruling camp contributed to raising public support for the prime minister. Meanwhile, despite objections from the resistance forces, bills were passed. Under such a situation, the government managed to enact the Postal Privatization Law. Many ministers try to be formal even when they go to the bathroom, but Koizumi does not mix private and official matters. When dining with his secretary at a restaurant, he shares his favorite pasta dish with the secretary just like ordinary people. But when an urgent decision is necessary, he make a judgment while risking everything on a single throw, like a gambler. This is his strong point.

-- Was this strong point demonstrated by lining up "assassin candidates" in "the post-reform-centered election"?

We thought there would be no other means but to take a gamble. I judged it would be less effective to announce all potential candidates supportive of the postal privatization bills all at once, so I was told to decide on when to announce the names of the candidates for whom I was responsible. I searched for persons whose candidacy and career would convince all voters in any district, instead of looking for persons who were famous across the nation. We did not pick those who stuck to a certain electoral district even if they were popular. We started preparations about three months before the dissolution of the House of Representatives. We fielded persons whose candidacy Koizumi, Liberal Democratic Party Secretary General Tsutomu Takebe, and Election Bureau Director General Toshihiro Nikai

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(now economy, trade and industry minister) all agreed on. We had prepared a strategy for the LDP alone to secure two-thirds of all the seats on the assumption that the election would be held on Sept. 4, one week earlier than the actual date.

-- Public views were split over the issue of the prime minister's visits to Yasukuni Shrine. Wasn't there a mistake in the initial stage?

The split of public opinion is attributed not to any mistake but to his visiting on Aug. 13, instead of Aug. 15, in 2001. The alternate date went against the prime minister's will. He followed his aides' advice. I guess the prime minister was greatly shocked, because he

continued to say that visiting the shrine on Aug. 15 was a matter of the heart. On this issue alone, his position as prime minister and his personal sentiment seemed to be mixed.

-- (Politics led by Koizumi) was dubbed "theater-type politics" taking advantage of public views, wasn't it?

Even if heaven and earth should change places, the Koizumi administration would still be able to secure more than 30 percent public support. A dozen or so percentage points of fluctuating support can be added to the 30 PERCENT. Although we cannot tell who the basic supporters really are, we appreciate them.

TOKYO 00005331 004 OF 011

-- Why did the administration continue to give an important post to Chief Cabinet Secretary Shinzo Abe?

In the first LDP presidential election (1995) for Koizumi, he was regarded as a minor candidate. Mr. Abe took the initiative in supporting Koizumi. I trust him most, and Koizumi himself owes what he is to his father, Shintaro Abe. He received on-the-job instruction as first Diet Affairs Committee when Shintaro Abe was secretary general. Mr. Abe probably is the first person to have

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served as deputy chief cabinet secretary, secretary general, chief cabinet secretary, and then a candidate for the LDP presidency under one administration.

(3) Interview with Yoshihiko Miyauchi, chairman of Orix: Regulatory reform making progress, though slowly; "Comfortable social divide" needed"

ASAHI (Page 8) (Full)  
September 15, 2006

-- Mr. Miyauchi, you have been responsible for promoting regulatory reform. What was the Koizumi administration like for you?

"The government has drastically shifted its policy from a Keynesian policy of propping up the economy with public spending to a structural reform policy of attaching importance to the market economy. Acknowledging the need for regulatory reform in revitalizing the economy, Prime Minister Koizumi has encouraged us, saying, 'since politicians have various interests, they found it difficult to make proposals for regulatory reform. You are speaking for our views. Please make utmost efforts.'"

Sense of alarm and sense of responsibility

-- Are you satisfied with the progress of regulatory reform?

"Progress has been made, though slowly. Industry circles and government offices are resisting in order to protect their vested interests. The regulatory reform and privatization promotion councils have no authority. There is only an agreement with the government that the panels' recommendations are to be respected to a maximum. Since our proposals come to naught unless they are realized, experts and business leaders pursued discussions with officials of concerned government agencies long into the night. We mapped out a recommendation report, after obtaining understanding from those officials. It was indeed an agonizing effort. Panel members are doing their jobs out of a sense of alarm and a sense of responsibility."

-- What was the result of their efforts?

"We have created a cross-thematic mechanism. For instance, we have realized a privatization test, in which government and the private sector compete in an open public-bidding system and the one that offered a more efficient tender than the other wins the order or a designated control system, in which the private sector administers facilities owned by local governments. If the resources of the private sectors are used, it might put an end to the Japanese government's administration of putting up public buildings. The

special deregulatory zone system, in which designated areas are used to find a breakthrough for regulatory reform, has made some kind of achievements.

TOKYO 00005331 005 OF 011

Regarding individual issues, too, the panel has been in a tug-of-war with government offices. However, achievements have been made, such as authorization to sell some medicines at convenience stores, reform of the system of deciding on payments to hospitals, the integration of kindergartens and day-care centers and the adoption of a public elementary school free-selection system.

Deep-rooted discretionary administration

-- In view of such incidents as the Livedoor scandal, do you think the panel has fallen short of making efforts to oversee irregular activities, while promoting regulatory reform?

"The market will become desolate, unless there are measures to consolidate it, a strict monitoring system and punishments against violations. That is why we have kept proposing propose strengthening monitoring functions. However, government agencies have fiercely protested the idea of establishing an independent organization. They are unable to emerge from prior-coordination-type discretionary administration, which they have practiced for a long time."

-- It has been pointed out that social disparity is expanding.

"As the economic pie expands, the society as a whole becomes more affluent. It is politics that determines what should be done about the distribution of wealth and to what extent social disparity should be tolerated. I do not think it is right to pursue equality in such a way as to prevent the pie from expanding. We should create a 'comfortable disparity for Japanese society'."

-- Due to the easing of labor regulations, the number of unstable part-time workers is increasing. Don't you think the safety net for such people is insufficient?

Some workers do not want to be bound up working full-time. Generally speaking, companies want to improve productivity through the use of diversified human resources. In my view, it is better to enhance freedom on the labor market. In order for that, a safety net should be established. Discussion on the social security system as a whole is needed.

-- Privatization of postal services and the Japan Highway was implemented with a fanfare. However, the results of efforts to move services from government to the private sector are not visible.

"In my view, the panel has established themes and policy directions regarding privatized postal services, government-affiliated financial institutions and independent administrative agencies. Whether these businesses can really be reformed is up to the administration that succeeds the Koizumi administration."

-- There is criticism that Orix, which is run by Mr. Miyauchi, has obtained many business opportunities as a result of the regulatory reform. What is your view on that?

"Deregulatory reform is a policy intended to break vested interests, thereby increasing options in society through the provision of equal opportunities to anybody. It is inconceivable for any specific person to gain profits from such a policy. Up until now, 6,593 regulations have been eased, leading to the revitalization of companies and the economy. I am in a position of coming under fire or slander from those who do not want to lose their vested interests. However, our reform drive will not progress, if we are

TOKYO 00005331 006 OF 011

afraid of such."

(4) ROK Deputy Prime Minister hopeful of resuming FTA talks with new

administration of Japan after Koizumi steps down

NIHON KEIZAI (Page 8) (Full)  
September 14, 2006

Motohiro Ikeda, Seoul

South Korea's Deputy Prime Minister and Minister of Finance and Economy Kwon O Kyu in an interview with the Nihon Keizai Shimbun expressed his hopes of resuming talks with Japan on a free trade agreement (FTA) sometime next year, apparently looking to Japan's new administration that will come into being later this month. His ulterior motive is perhaps to make a fresh start of the talks, taking advantage of the change of government in Japan, given that a political decision is indispensable in order to bring the talks back on the track.

Japan and South Korea agreed in October 2003 to start government-to-government negotiations on concluding an FTA. This agreement came during the summit meeting between Prime Minister Junichiro Koizumi and President Roh Moo Hyun held in Bangkok. Both leaders at the same time set the target of reaching accord by the end of 2005.

The negotiations began in December 2003, and six rounds were held with the last one held in November 2004. Since then, however, no talks have been held. During the Japan-South Korea summit talks in Seoul in June 2005, there was a heated debate over the history issue. In order to change the subject, Koizumi brought up the question of resuming bilateral FTA talks as quickly as possible, but Roh reportedly did not show any interest.

South Korea has already concluded the FTAs with Chile, Singapore, and the European Free Trade Association (EFTA). It is trying to conclude FTAs with the Association of Southeast Asian Nations, Mexico, and Canada before the end of the year and also aims to conclude them with the United States, the European Union (EU), India, and China.

For South Korea, "Japan is the largest trade partner after China in terms of trade volumes and the US in terms of investment," Kwon said. Given this, Seoul presumably wants to bring the FTA talks with Japan back on the track as soon as possible.

But South Korea has insisted that the negotiations be resumed on the conditions that Japan liberalize 90 percent of its farm products. So, whether the negotiations will be actually restarted remains to be seen.

Main points of the interview

Japan-ROK relations

7In some areas, for instance, the history issue, political affairs, and the North Korean issue, bilateral relations are not going smoothly, but the two countries have become more cooperative on the economic front and in cultural exchanges. We hope to see close economic cooperation continue even after the new administration is launched in Japan.

7We would like to continue the periodic finance ministerial meeting

TOKYO 00005331 007 OF 011

that was launched this year.

7We think Japan and South Korea should conclude the highest-level possible FTA. From that point of view, the focus is agricultural products, and our position remains the same. We call on Japan to open 90 percent of its agricultural market. We expect the negotiations to be restarted sometime next year, given that a new administration is established in Japan shortly.

US-ROK FTA

7South Korea's market share in the US was some 4 percent until the late 1980s, but it has dwindled to 2.6 percent at present. The US and South Korea compensate each other in trade, so I think there is big room for both sides to make adjustments. I don't think it will

be difficult to reach accord on the FTA by next March.

#### North Korean policy

7Business-related programs will continue. Kumgangsan sightseeing and the development of the Kaesong Industrial Park are in the private sector's hands, so the government cannot interfere in them. Following North Korea's missile launches, South Korea has frozen aid in rice and fertilizer to that country. As for official aid, South Korea's position is to act in concert with other countries while in close consultations with the concerned countries.

#### ROK's economic outlook

7The South Korean economy will grow by 5 PERCENT this year and 4.6 PERCENT next year. Export volumes are expected to double this year as well as next year.

(5) Japan plans to accept 1,000 Filipino nurses and other workers; Will the plan come off? Doubts, complaints voiced

TOKYO SHIMBUN (Page 24) (Full)  
September 13, 2006

The government plans to accept 400 would-be nurses and 600 would-be care workers from the Philippines. The plan is the results of two-year negotiations between the governments of Japan and the Philippines, but dissatisfaction is exploding in the Philippines over such hard conditions set by the plan as passing a national exam for the Japanese language. In Japan, as well, some express concern: "Won't they be exploited as a cheap labor force?" Will the plan really come off?

The plan for Japan to accept nurses and care workers from the Philippines was outlined in the economic partnership agreement (EPA) the two countries concluded in November 2004.

400 nurses, 600 care workers

Japan's initial plan was to accept one hundred or so nurses and care workers respectively, but by the Philippine government's request, the number has been expanded to a total of 1,000 persons for the first two-year timeframe of the plan.

However, Filipinos wishing to work as nurses or care workers in Japan have to clear high hurdles.

First, Filipinos wishing to become nurses should be those who have a nursing qualification obtained in their country and have three years

TOKYO 00005331 008 OF 011

of work experience. Once they come to Japan, they must take a Japanese language course, receive training at medical facilities and pass a national exam for nursing in the Japanese language three years after their arrival. If they fail, they would have to return to their country. The qualifications for care workers are less strict than those for nurses, but a good command of Japanese language is required for both professions.

"English-speaking countries would be chosen if the conditions are same"

Nobuki Fujimoto, a researcher at the Asia-Pacific Human Rights Information Center who knows well about the situation in the Philippines, said: "The government, nongovernmental organizations (NGOs), and relevant industries have issued a number of statements on this matter. Many expressed discontent at the requirement of passing Japan's national Japanese-language examination, in addition to the small framework for acceptance." According to Fujimoto, as a major source of immigrant labor, the Philippines has sent some 250,000 nurses to work outside the country, but most of them work in such English-speaking countries as the United States, Britain, and Canada. Most statements said, "If the conditions are the same, we will choose English-speaking countries."

Will it be actually possible for Japan to accept 1,000 Filipinos?

The Ministry of Health, Labor and Welfare's (MHLW) section in charge gave this weak answer to that question: "Nobody can tell what will happen before it starts. The government's role is to give support to them so that they can pass the exam."

There are some in Japan who have raised doubts about the plan. According to Shinji Ishibashi, chair of the Japan Association of Certified Care Workers, there are some 550,000 certified care workers in Japan, but most of them are dissatisfied with their treatment, such as wages and working conditions, and only 60 percent or so of them actually work as care workers. Ishibashi argues: "I think the first thing for the government to do is to prepare an environment for certified care workers to find reemployment."

The Japanese Nursing Association released an announcement on Sept. 12 that went: "It is important to resolve the question of how to secure nurses by securing first Japanese personnel." Lying behind this announcement is the Association's concern that if Filipino nurses and other workers were hired at low wage rates, that might worsen the working conditions for Japanese nurses.

Japan has not yet faced such a large shortage of nurses and care workers that it has to accept foreign workers. The MHLW's Policy Bureau said: "It's incorrect to think that we will accept Philippine workers because of shortage of hands." The plan for accepting Philippine workers is the diplomatic outcome of trade talks, but this plan is likely to bring up the question of the demand-supply gap in the years ahead.

Government held responsible for training

Tadakore Ota, a lecturer working in Japan's Aichi Prefecture, gives Filipinos living in Japan the second-class home-care worker's license course. Ota himself is a nurse. He said: "They are required to understand and right difficult Kanji used for the descriptions of medical terms. Even if they learned the Japanese language before coming here, they would find it still difficult to pass the exam."

TOKYO 00005331 009 OF 011

Fujimoto pointed out: "There is still the multilayer structure of exploitation -- like brokers -- on the part of the immigrant labor-sending country. Immigrant workers, if failing to pass the exam, would be forced to work to (pay their debts) because of overstaying."

Fujimoto, the Japanese Nursing Association, and Ota all said in chorus: "Once the government decided to accept immigrant workers, it should take responsibility for them to the last."

(6) 2006 LDP presidential campaign -- diplomacy: Abe stands out by checking China; Tanigaki emphasizes co-existence; Aso highlights his diplomatic achievements

ASAHI (Page 4) (Full)  
September 13, 2006

In the Liberal Democratic Party (LDP) presidential campaign, Chief Cabinet Secretary Abe is standing out as a critic to check China. He has argued that economic relations should not be affected by political issues. In addition, he recently raised objection to China's logic of distinguishing between Japanese war leaders and its general public as seen at the time of the normalization of relations between the two countries. But Abe's recent objection to that logic caused controversy. Finance Minister Tanigaki commented: "He ignores the circumstances of accumulated discussions." Abe has the idea of launching strategic talks among Japan, the United States, Australia, and India, but the idea gives a glimpse of his intention to surround China. Whether Australia and India, which emphasize relations with China, will respond to Abe's idea remains to be seen.

In a panel discussion of the LDP presidential candidates on Sept. 11 hosted by the Japan National Press Club, Tanigaki questioned Abe: "What is your view about the way China made an explanation to its people by distinguishing between Japanese war leaders and its



general public?" Abe replied, "No document concerning such an account exists" and "It is not everybody's understanding in Japan that the Japanese people were divided into two groups."

Surprised at those remarks, a Foreign Ministry official made this comment: "Did he go to that extent?" "It's an important fact that China drew a clear line between war leaders and the general public when normalizing relations with Japan. Based on that, relations (with China) have progressed until today. His saying, 'That's incorrect,' only embarrassed me," the official added.

If he denies the common perception that has been maintained since the normalization of diplomatic ties, that could affect Japan's new administration's relations with China. Tanigaki criticized Abe at a press conference on Sept. 12: "Can he truly build a relationship of trust? Frankly, I'm skeptical of his way of thinking."

So far Abe has backed Prime Minister Koizumi's visits to Yasukuni Shrine and criticized China for its use of the shrine visits as a "diplomatic tool." He also has reiterated that China should not pressure Japan in the economic areas in trying to achieve the political goal.

Tanigaki, who underscores the need for co-existence with Asia, argued in the panel discussion: "What underlies the economy is the public sentiments. In fact, Japanese firms have begun to see their employment relationship affected. The chief cabinet secretary and I

TOKYO 00005331 010 OF 011

are wide apart in perceptions." Tanigaki suggested the need to hold down the political confrontation that underlies (China's) worsened sentiments toward Japan because such sentiments are affecting economic affairs.

In his recently published book, Utsukushii Kuni E (Toward a Beautiful Country), Abe came out with the idea of a strategic dialogue between the top leaders and the foreign ministers of Japan, the United States, Australia, and India.

But it is unknown whether Australia and India, which are both deepening ties with China politically and economically, will respond to that idea. In the past China and India were at odds, but in recent several years, the two countries have had reciprocal visits between their top leaders on a regular basis and constantly held talks of senior officials to discuss such subjects as the national border.

Australian Foreign Minister Downer told a press conference in August when asked about the concept of four-nation strategic talks: "India will not hope to join such talks." "China is not a military threat," he added.

Lower House Speaker Yohei Kono, too, made an indirect criticism of Abe in a speech delivered in late August: "China and India are strengthening friendly relations at a fast pace. Given this, it is not necessarily an appropriate notion that Japan's approach to India would help check China."

The confrontation between Abe and Tanigaki has set in, while Aso highlights his diplomatic achievements of resuming Japan-China foreign ministerial talks in May this year after an interval of one or so year. Aso reveals confidence in his capability to mend the currently strained relations with China, saying: "I've never thought that if I became prime minister, I can't meet with the Chinese top leader."

Yet, in part because Aso acted together with Abe this past July to instruct his staff to aggressively advance negotiations on the adoption of a United Nations Security Council resolution denouncing North Korea for its missile launches, Aso tends to lack his identity on the diplomatic front. In fact, he said, "There is no difference between Mr. Abe" and I. Aso has offered a specific proposal for shifting Yasukuni Shrine into a secular organization, but in the presidential campaign, Aso is quiet about the shrine issue, saying, "I don't intend to make the Yasukuni issue an important part of my presidential campaign."

Major assertions of the three candidates about diplomatic strategy

Chief Cabinet Secretary Abe Finance Minister Tanigaki Foreign  
Minister Aso

Diplomatic strategy Aim for assertive diplomacy and aim to rebuild  
Japan into a strong and trustworthy Japan. Aim for co-existence with  
Asia and build a hotline with Asian leaders. Aim for diplomacy with  
pride.

Visits to Yasukuni Shrine Do not declare whether to visit the shrine  
as shrine visits have been made a political issue. Refrain from  
visiting the shrine, considering the public sentiments in China and  
South Korea. Make a decision appropriately. Proposes shifting the  
shrine into a secular organization.

Policy toward China Separation of politics and the economy. No  
pressure should be put on the economy over the political issues. The

TOKYO 00005331 011 OF 011

argument for separation of politics and the economy is questionable  
because public opinion affects the economy. Japan-China friendship  
is a tool. Aim for common interests to Japan and China.

SCHIEFFER